

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 DODE-00 PM-05 H-01 L-03 NSC-05
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INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY LISBON
AMEMBASSY LONDON
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USEEC, OECD, AND AMEMBASSIES

E.O.11652: N/A

TAGS: ELAB, PINT, SP

SUBJECT: A "HOT AUTUMN" ON THE SPANISH LABOR SCENE?

1. THE EUROPA PRESS AGENCY RECENTLY POLLED LEADERS OF THE FOUR LARGEST SPANISH TRADE UNIONS FOR THEIR OPINION ON THE LIKELIHOOD OF A "HOT AUTUMN". THEIR REPLIES, AS REPORTED IN CENTRIST "INFORMACIONES" ON SEPTEMBER 7, SHOW GENERAL AGREEMENT THAT LABOR CONFLICT IS VERY LIKELY UNLESS "IMMEDIATE CONCRETE MEASURES" ARE TAKEN (SEE ALSO MADRID 6550.) ALTHOUGH DIFFERING ON SPECIFICS, THEY GENERALLY ADVOCATED MORE ATTENTION TO UNEMPLOYMENT, A "MORE DARING"/POLICY TO REACTIVATE THE ECONOMY, AND BETTER "CREDIBILITY" WITH THE PUBLIC.

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2. NICOLAS REDONDO, SEC GEN OF THE SOCIALIST UGT, OPINED THAT THE YEAR WAS ALREADY "HOT". ALTHOUGH THE ESTIMATED 1 MILLION UNEMPLOYED (THE GOVT ADMITS TO ABOUT 800,000) WOULD CONTINUE TO DISCOURAGE WORKERS FROM ASKING FOR TOO MUCH. THE LARGE NUMBERS OF UNEMPLOYED WITHOUT INSURANCE COVERAGE ARE "POTENTIALLY EXPLOSIVE", ESPECIALLY IN SUCH

HARD HIT AREAS AS EXTREMADURA, ANDALUCIA, AND THE CANARIES. HE ALSO CITED THE GAP BETWEEN A 25-30 PERCENT RATE OF INFLATION AND AVERAGE SLARY INCREASES OF 15-17 PERCENT. REGIONAL INEQUALITIES, AND THE THREE MILLION RETIREES WITH PENSIONS OF LESS THAN \$72 MONTHLY. TO AVOID A "HOT AUTUMN" REDONDO SUGGESTED "CHARGES AGAINST THE PATRIMONY" (DEFICIT SPENDING?) ADMINISTRATIVE REFORM TO STAMP OUT CORRUPTION, REFORM OF SOCIAL SECURITY TO INCREASE THE STATE'S SHARE. THUS REDUCING THE TAX LOAD ON CREATION OF NEW JOBS IN SHORT A "MORE DARING" POLICY THAN THE CURRENT GOVT'S.

3. MARCELINO CAMACHO, SECGEN OF THE COMMUNIST DONINATED SQC (WORKERS COMMISSIONS) TOOK A HARD AND RATHER MELODRAMATIC STAND: "BREAD AND LIBERTY ARE IN DANGER". OWING TO THE POLITICAL CONSEQUENCES OF ECONOMIC "DESTABILIZATION" HE TERMED THE GOVT'S ECONOMIC POLICES "NEITHER NATIONAL NOR RATIONAL". THE GOVT'S POSITIVE MOVES (ON FISCAL POLICY) ARE INSUFFICIENT, WHILE THE NEGATIVE EFFECTS OF ITS EFFORTS TO STABILIZE PRICES PRODUCE "VERY GRAVE DAMAGES". THE "OBLIGARCHY IN POWER" DOES NOT ATTEND TO THE COUNTRY'S REAL NEEDS. ONLY THE "ENDEAVORS OF ALL" CAN OVERCOME THE CRISIS, HE ADDED, ADVOCATING THE NOW FAMILIAR COMMUNIST PROPOSAL A " GOVERNMENT OF NATIONAL CONCENTRATION". AS TO WHAT SPECIFICALLY SHOULD BE DONE WITH RESPECT TO THE ECONOMY, HE MENTIONED "REDISTRIBUTING THE LOAD (OF SACRIFICES), BEGINNING WITH THOSE WHO HAVE LIMITED OFFICIAL USE

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THE MOST", AND THE PENETRATION OF DEMOCRACY INTO THE FACTORIES, TO REPAY THE SACRIFICES OF THE WORKERS.

4. JUAN GOMEZ CASAS, EX-SECGEN OF THE ANARCHO-SYNDICALIST CNT (NATIONAL CONFEDERATION OF LABOR). AND STILL THE LEADING CNT FIGURE PENDING ELECTION OF A NEW SECGEN THIS WEEK (SEE MADRID 6598), FLATLY PREDICATED A "HOT AUTUMN", AND WINTER AS WELL, BECAUSE NO "SOCIAL PACT. HAS BEEN ESTABLISHED. SUCH A PACT CANNOT BE, BECAUSE THE WORKERS DO NOT WANT IT. AND EVEN THE UNIONS COULD NOT MAKE SUCH A PACT IN DEFIANCE OF THE RANK AND FILE. SALARIES ARE DETERIORATING RELATIVE TO PRICES AS IT IS; A SOCIAL PACT WOULD BRING MORE OF THE SAME. WHILE SOME REMEDIES ARE THEORETICALLY POSSIBLE, HE TERMED THEM "PLASTERS AND PATCHES", NO SOLUTION IS POSSIBLE WITHIN THE CURRENT STRUTURE OF COMPETITION BETWEEN CAPITAL AND LABOR. THERE MUST BE A STRCUTURE OF COMPETITION BETWEEN CAPITAL AND LABOR. THERE MUST BE A STRUCTURAL REFORM. WHY SHOULD WE EMBARK ON A "TEMPORARY REPAIR"? THE EMPLOYERS WOULD JUST GO ON SAVING THEIR BENEFITS, WHICH IS THE ONLY THING THEY SEEK. HE ASSERTED.

5. JOSE MARIA ZUFIAUR SECGEN OF THE INDEPENDENT SOCIALIST

USO TERMED CONSIDERATION OF A "HOT AUTUMN" PREMATURE. PREFERRING TO CALL IT AN AUTUMN OF "MOVEMENT". TWO MAIN FACTORS ARE PRODUCING THIS, THE RECDNT LONG AND WIDESPREAD STRIKES (INSTANCING THE HOTEL WORKERS, SHOW INDUSTRY, AND CONSTRUCTION) AND THE RAPID INFLATION OF PRICES. TO REDUCE THE LEVEL OF LABOR STRIFE HE RECOMMEDED NORMALIZATION OF UNION ACTIVITY, "RECONSIDERATION" OF BUSINESS' ATTITUDE, ADOPTION BY THE GOVT OF THE UNION DEMANDS RELATED TO THE ECONOMIC PROGRAM (INCLUDING EMPLOYMENT MEASURES AND WAGES INCREASE TO AT LEAST THE LEVEL OF SALARIES) AND "POPULAR CREDIBILITY", BY WHICH HE APPEARED TO MEAN RESTORING THE GOVT'S REPUTATION FOR TELLING WORKERS THE TRUTH.

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6. COMMENT. MOST IF NOT ALL OF THE ISSUES RAISED BY THE TRADE UNION LEADERS HAVE OF COURSE BEEN FULLY VENTILATED DURING THE SERIES OF GOVERNMENT-LABOR MEETINGS ON THE ECONOMIC PROGRAM (MADRID 6550). AS THE PLANT COMMITTEE ELECTIONS APPROACH (DEADLINE HAS BEEN SET FOR NOVEMBER 15). THE COMPETING TRADE UNIONS CAN BE EXPECTED TO STEP UP THE TEMPO OF COMBATIVE STATEMENTS.EATON

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